



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: May 21, 2009

TO: Honorable Councilmember Tony Young, Budget Review Committee Chair
and Budget Review Committee Members

FROM: Nader Tirandazi, Financial Management Director

A handwritten signature in dark ink, likely belonging to Nader Tirandazi, the Financial Management Director.

SUBJECT: Fiscal Year 2010 Budget Review Committee Referral Response

This memorandum is in response to questions asked at the Budget Review Committee Meeting held on or before May 8, 2009. The responses are grouped by department in the order that they were reviewed by the Committee.

SAN DIEGO EMPLOYEES' RETIREMENT SYSTEM (SDCERS) (April 30)

COUNCIL DISTRICT 7

QUESTION: Please explain how benefit changes in the new Memorandum of Understandings (MOUs) with labor will affect SDCERS' Fiscal Year 2010 budget.

RESPONSE: Any reduction or savings resulting from the Fiscal Year 2010 negotiations will not be realized in the Unfunded Actuarial Accrued Liability and Annual Retirement Contribution until Fiscal Years 2011 and 2012. Benefit changes from the Fiscal Year 2010 negotiations will have an impact on SDCERS' Fiscal Year 2010 operating budget as with most City departments. The projected impact of the labor concessions to SDCERS personnel expense budget for Fiscal Year 2010 is approximately (\$313,826) associated with the 65.00 budgeted FTE within their operating department.

Engineering and Capital Projects

COUNCIL DISTRICT 6

QUESTION: Please provide a list of mechanisms and/or resources that would expedite the completion of ADA projects.

RESPONSE: *The response to this request is still being retrieved and will be provided in a subsequent memorandum.*

Public Works/Real Estate Assets

COUNCIL DISTRICT 7

QUESTION: Please provide the General Plan (Report) that was developed that shows how the City's real estate assets (context: land sales discussion) will be managed and distributed.

RESPONSE: The development of the Portfolio Management Plan, which addresses how the City's real estate assets will be managed and distributed is still taking place and is anticipated to be complete at the end of the current fiscal year ending June 30, 2009.

Storm Water

COUNCIL DISTRICT 5

QUESTION: Please discuss the Transfer to Other City Departments for Utilities and Dewatering Expenses.

RESPONSE: From July 2008 to December 2008, the Streets Division was billed for the Storm Water Department's water and electricity usage at Chollas Yard and various pump stations. The total amount billed was \$200,000. This spending plan item also covers payment for Storm Water low flow diverter maintenance (approximately \$300,000). These are both Storm Water operations and maintenance expenses.

Storm Water

COUNCIL DISTRICT 5

QUESTION: Please discuss SAP Enterprise Asset Management with regards to Storm Water operations.

RESPONSE: The Storm Water Department has implemented the SAP Plant Maintenance module, an automated maintenance work order management system. The General Services Streets Division has been using this particular SAP module for several years for its work orders. This module is compatible with the City's OneSD project which will utilize the SAP Enterprise Resources Planning (ERP) system. The Storm Water Department is utilizing the SAP Plant Maintenance Module to track City-wide storm water infrastructure assets and maintenance service notifications. The cost for the Fiscal Year 2009 phase of this consultant agreement is \$594,000.

Storm Water

COUNCIL DISTRICT 5

QUESTION: Please discuss the Trash Abatement Partnership – Think Blue / Qualcomm project with regards to Storm Water operations.

RESPONSE: This project involves replacing existing undersized trash bins with new larger, covered bins at the Qualcomm Stadium parking lot. Existing bins overflow during major events; as a result trash blows into the San Diego River watershed. The new bins will be sponsored by the Storm Water Department and will carry the 'Think Blue' logo. Storm Water is negotiating with the Stadium for a final pricing agreement, which includes modification of the existing lease. This is a pilot project for watershed trash abatement required under the Permit. The project will include a study that evaluates cost effectiveness and the functional effectiveness of the new trash bins.

Storm Water

COUNCIL DISTRICT 5

QUESTION: Please discuss the planned uses and benefits of the Storm Water Condition Assessment Master Plan.

RESPONSE: The Storm Water Condition Assessment Master Plan will allow the use of current GIS technology to verify and maintain storm drain asset records, condition assessment information, and cost monitoring and control. Currently, there are information gaps in the storm drain assets database (i.e. catch basins, pipe networks, and outfalls). With a comprehensive asset inventory and condition assessment program, the Department will be able to more precisely determine deferred maintenance levels and required capital expenditures.

Honorable Councilmember Tony Young, Budget Review Committee Chair
and Budget Review Committee Members
May 21, 2009

Storm Water

COUNCIL DISTRICT 5

QUESTION: Please discuss Payments for Claims and Emergencies with regards to the Storm Water's budgeted funds for this activity.

RESPONSE: Storm Water budgeted funds in the Fiscal Year 2009 Operations & Maintenance spending plan in anticipation of settling a major claim against the City for a specific case and other storm water emergencies as they arise. The City subsequently decided to pay the claim out of the public liability fund, which will be reimbursed from the Storm Water budget. Of the total, \$200,000 is budgeted for emergencies and \$500,000 for the payment of claims.

Nader Tirandazi, Financial Management Director

NT/ma

cc: Honorable Mayor Jerry Sanders
Honorable Council Members
Jan Goldsmith, City Attorney
Jay M. Goldstone, Chief Operating Officer
Wally Hill, Assistant Chief Operating Officer
Kris Michell, Chief of Staff
Mary Lewis, Chief Financial Officer
Andrea Tevlin, Independent Budget Analyst
Kevin Casey, Director of Council Affairs
Lea Fields-Bernard, Committee Consultant
David Wescoe, SDCERS Retirement Administrator
Mark Hovey, SDCERS Chief Financial Officer
Patti Boekamp, Director of Engineering and Capital Projects
James Barwick, Real Estate Assets Director
David Jarrell, Deputy Chief of Public Works
Tony Heinrichs, Storm Water Director
Julio Canizal, Financial Manager
Angela Colton, Financial Manager
Irina Kumits, Financial Manager